

MARIN COUNTY ECONOMIC FORECAST

Marin County, located north of San Francisco County and southeast of Sonoma County is one of the most affluent counties in the state. In tandem with San Francisco County and the rest of the Bay Area, Marin County thrived in the late 1990s when technology was booming. Since the dotcom bust of 2000, the county has been slow to recover economic momentum.

Marin County has a population of 252,000 people and 111,000 wage and salary jobs. The per capita income in Marin County is \$69,653, and the average salary per worker is \$57,871. Together with San Francisco County, the median household income for 2006 is \$91,200, second highest in the state behind Santa Clara County.

Although not nearly as robust as Southern California, employment growth in Northern California was strong in 2005, compared to the previous four years. Employment in the greater Bay Area increased by 0.8 percent last year. In 2005, nearly 1,000 jobs were created in Marin County, reversing three straight years of job losses. Non-farm employment increased by 1.0 percent last year. The unemployment rate fell to 3.9 percent in 2005.

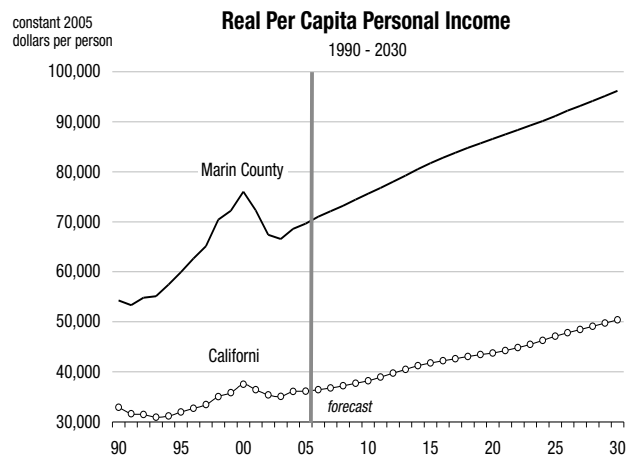
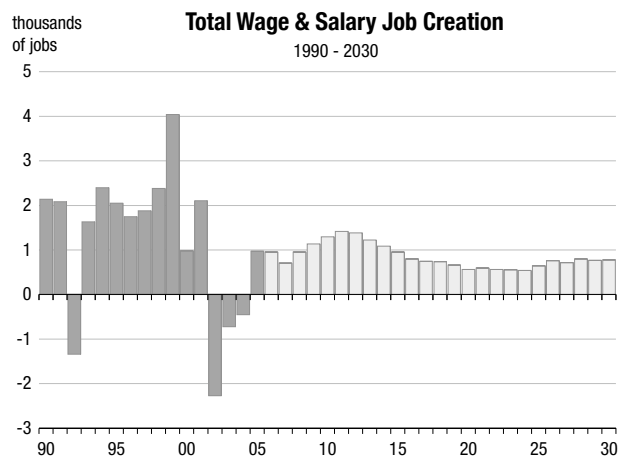
Nearly 70 percent of the net job creation in 2005 occurred in the professional services sector, which added 680 jobs. Other growing sectors included government and leisure, which both added approximately 200 jobs. The manufacturing sector continued to decline, as employment in 2005 represented 60 percent of the level in 1995.

Population growth remains positive in Marin County, with the rate clocked at 0.6 percent or lower since 2001. The lone city in the county with a material growth rate is Novato, which increased 1.4 percent last year.

The near-term and long-term forecast calls for modest employment and population growth. This is partially due to an older resident population and unprecedented home values which dampen job creation and net migration.

FORECAST HIGHLIGHTS

- Job growth averages 0.9 percent in 2006. Job growth declines in 2007 to 0.6 percent. Over the next five years, from 2006 to 2010, the annual growth rate is forecast to average just less than one percent per year.
- Average salaries adjusted for inflation are currently well above the California average, and will remain so over the foreseeable future. Real average salaries are forecast to rise an average of 1.1 percent per year over the next 5 years.
- Real per capita incomes increase at a rate of 2.0 percent in 2006. Over the next five years real per capita incomes are forecast to increase 1.6 percent per year.

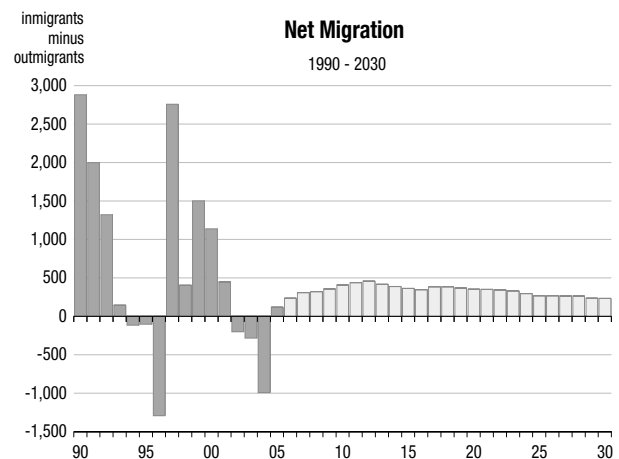
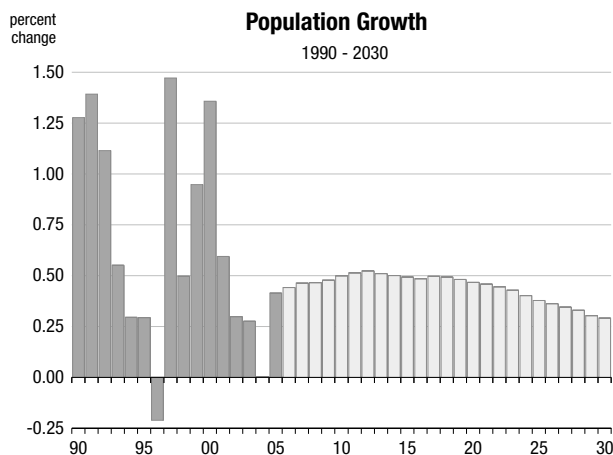


- Between 2006 and 2010, the momentum for employment growth is in professional services, retail trade, and healthcare services. These sectors account for over 70 percent of all jobs created in the county over the next five years. Professional services alone accounts for 40 percent of total job creation over the forecast period.
- The population will grow at a rate of 0.4 percent in 2006. Annual growth in the 2006 to 2010 period is forecast to average 0.5 percent as the county adds just over 1,000 people per year mostly from the natural increase.
- Industrial production is expected to remain stagnant in 2006. Over the next five years the growth rate of industrial production is forecast to increase marginally, averaging 0.5 percent per year, as growth is concentrated in the service sectors.

Marin County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	241,400	2,761	212.3	96.9	598	\$3.1	\$12.4	\$65,140	3.4	72.5	528.9	2.9
1998	242,600	404	225.6	97.7	713	\$3.4	\$13.9	\$70,427	3.2	68.8	570.6	2.4
1999	244,900	1,503	228.1	98.2	736	\$3.7	\$15.0	\$72,187	4.2	63.0	575.0	2.0
2000	248,225	1,138	232.5	100.7	633	\$4.1	\$16.8	\$76,040	4.5	54.3	566.7	2.9
2001	249,701	448	235.7	101.0	375	\$4.0	\$16.9	\$72,302	5.4	54.4	486.6	3.5
2002	250,448	-199	239.7	101.5	440	\$3.8	\$16.1	\$67,403	1.6	46.8	511.2	4.9
2003	251,142	-282	232.7	102.0	712	\$3.9	\$16.2	\$66,542	1.8	50.2	518.8	4.9
2004	251,154	-991	243.5	102.4	1,027	\$4.1	\$16.9	\$68,612	1.2	56.0	541.9	4.4
2005	252,195	121	246.5	103.0	474	\$4.1	\$17.6	\$69,653	2.0	53.8	546.1	3.9
2006	253,312	238	250.7	103.2	465	\$4.5	\$18.5	\$71,014	2.7	53.3	546.1	3.9
2007	254,488	309	253.6	103.6	423	\$4.7	\$19.2	\$72,085	2.1	52.5	549.8	4.1
2008	255,674	323	256.2	103.9	421	\$4.9	\$20.1	\$73,176	2.3	52.0	555.2	4.0
2009	256,898	357	258.8	104.2	412	\$5.0	\$21.0	\$74,453	2.2	51.1	557.0	4.0
2010	258,183	409	261.5	104.6	390	\$5.2	\$21.9	\$75,641	2.4	49.9	561.5	3.9
2011	259,511	440	264.1	104.9	370	\$5.4	\$22.9	\$76,764	2.3	49.1	571.5	3.9
2012	260,872	459	266.6	105.2	385	\$5.6	\$23.9	\$78,008	2.1	48.2	586.3	4.0
2013	262,205	417	269.1	105.5	384	\$5.8	\$24.9	\$79,232	2.2	47.2	604.2	4.1
2014	263,520	388	271.8	105.8	396	\$5.9	\$26.0	\$80,537	2.2	46.2	622.9	4.2
2015	264,821	365	274.6	106.1	397	\$6.1	\$27.1	\$81,724	2.4	45.1	641.9	4.2
2016	266,107	347	277.5	106.4	396	\$6.4	\$28.3	\$82,794	2.5	44.0	657.4	4.3
2017	267,433	387	280.4	106.7	398	\$6.6	\$29.6	\$83,784	2.6	43.3	673.0	4.4
2018	268,753	387	283.6	107.0	393	\$6.8	\$30.8	\$84,775	2.4	42.5	690.1	4.4
2019	270,047	371	287.0	107.3	392	\$7.0	\$32.0	\$85,662	2.4	41.6	705.8	4.4
2020	271,312	354	290.6	107.6	390	\$7.2	\$33.2	\$86,550	2.3	40.8	721.7	4.4
2021	272,557	352	294.2	108.0	397	\$7.5	\$34.5	\$87,455	2.3	40.3	732.1	4.4
2022	273,774	345	297.6	108.3	400	\$7.7	\$35.9	\$88,356	2.4	39.6	729.9	4.4
2023	274,950	332	300.7	108.6	398	\$7.9	\$37.2	\$89,233	2.3	39.2	723.6	4.4
2024	276,059	296	303.5	108.9	390	\$8.2	\$38.6	\$90,137	2.2	38.5	705.4	4.4
2025	277,106	269	305.9	109.2	386	\$8.4	\$40.0	\$91,123	2.2	37.7	684.3	4.4
2026	278,113	268	308.1	109.5	381	\$8.7	\$41.6	\$92,225	2.3	37.0	677.5	4.3
2027	279,076	265	309.9	109.8	382	\$9.0	\$43.1	\$93,150	2.3	36.3	672.2	4.3
2028	280,000	266	311.3	110.1	385	\$9.3	\$44.8	\$94,135	2.5	35.8	672.9	4.3
2029	280,853	236	312.4	110.4	386	\$9.6	\$46.6	\$95,151	2.5	35.1	676.0	4.3
2030	281,673	233	313.3	110.7	390	\$9.9	\$48.4	\$96,208	2.5	34.4	674.8	4.3



Marin County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Mining & Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	104.3	0.51	5.6	4.7	1.3	18.1	10.0	15.9	4.7	13.7	11.1	14.0
1998	106.7	0.45	6.3	4.7	1.5	17.6	9.5	17.2	5.5	14.0	11.1	14.2
1999	110.8	0.48	7.1	4.3	1.4	18.7	9.6	18.7	4.9	14.6	11.6	14.7
2000	111.7	0.46	7.9	3.9	1.4	18.4	9.7	19.3	4.6	14.6	12.2	14.8
2001	113.9	0.47	8.2	3.5	1.6	18.7	9.9	18.5	4.1	15.0	12.6	16.6
2002	111.6	0.49	8.4	3.4	1.5	18.8	9.7	17.5	3.7	15.6	12.8	15.1
2003	110.9	0.59	8.3	3.1	1.4	19.0	9.7	17.7	3.3	15.7	12.7	14.8
2004	110.4	0.61	8.4	3.0	1.4	18.5	9.5	18.5	3.2	15.7	12.6	14.3
2005	111.4	0.53	8.2	2.9	1.3	18.6	9.5	19.2	3.1	15.8	12.7	14.5
2006	112.3	0.53	8.3	2.9	1.3	18.8	9.6	19.5	3.1	15.9	12.8	14.7
2007	113.1	0.53	8.4	2.8	1.3	19.0	9.6	19.7	3.1	16.1	12.9	14.7
2008	114.0	0.53	8.4	2.7	1.3	19.1	9.7	20.0	3.2	16.2	13.0	14.7
2009	115.1	0.53	8.5	2.7	1.3	19.3	9.8	20.5	3.3	16.4	13.1	14.7
2010	116.4	0.53	8.5	2.7	1.3	19.4	9.8	21.2	3.4	16.6	13.2	14.7
2011	117.9	0.53	8.6	2.6	1.3	19.5	9.9	22.0	3.5	16.8	13.2	14.7
2012	119.3	0.53	8.6	2.6	1.4	19.6	9.9	22.8	3.6	17.0	13.3	14.7
2013	120.5	0.53	8.7	2.6	1.4	19.7	10.0	23.4	3.6	17.3	13.4	14.7
2014	121.6	0.53	8.7	2.6	1.4	19.8	10.0	23.9	3.7	17.5	13.4	14.6
2015	122.5	0.53	8.8	2.5	1.4	19.9	10.1	24.4	3.7	17.7	13.5	14.5
2016	123.3	0.53	8.9	2.5	1.4	20.0	10.1	24.6	3.7	17.9	13.6	14.5
2017	124.1	0.53	8.9	2.5	1.4	20.1	10.2	24.9	3.8	18.1	13.7	14.4
2018	124.8	0.53	9.0	2.5	1.4	20.1	10.2	25.1	3.9	18.2	13.7	14.3
2019	125.5	0.52	9.1	2.5	1.4	20.2	10.3	25.4	3.9	18.4	13.8	14.2
2020	126.0	0.52	9.1	2.5	1.4	20.3	10.4	25.7	3.9	18.5	13.8	14.0
2021	126.6	0.52	9.2	2.5	1.4	20.4	10.4	25.9	3.9	18.6	13.9	13.9
2022	127.2	0.52	9.3	2.4	1.4	20.5	10.5	26.1	3.9	18.7	13.9	13.8
2023	127.8	0.53	9.3	2.4	1.4	20.6	10.5	26.4	3.9	18.7	13.9	13.7
2024	128.3	0.53	9.4	2.4	1.4	20.7	10.6	26.6	3.9	18.8	14.0	13.7
2025	129.0	0.53	9.5	2.4	1.4	20.8	10.6	26.8	4.0	18.9	14.0	13.7
2026	129.7	0.53	9.5	2.3	1.4	20.9	10.7	27.0	4.1	19.0	14.0	13.7
2027	130.4	0.53	9.6	2.3	1.4	21.0	10.7	27.3	4.2	19.1	14.0	13.7
2028	131.2	0.53	9.6	2.3	1.4	21.1	10.8	27.5	4.3	19.2	14.1	13.8
2029	132.0	0.53	9.7	2.3	1.4	21.2	10.8	27.7	4.4	19.3	14.1	13.9
2030	132.8	0.53	9.8	2.2	1.4	21.3	10.9	27.9	4.5	19.4	14.2	13.9

